
SENATE BILL No. 559

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-20.5; IC 6-3.1-20.

Synopsis: Tax credits for personal property taxes paid. Provides a credit against state tax liability for property taxes paid on personal property. Specifies that the credit is equal to the amount of property taxes paid on personal property with an assessed valuation of not more than \$37,500. Repeals the existing personal property tax reduction credit.

Effective: January 1, 2002.

Simpson, Meeks R

January 23, 2001, read first time and referred to Committee on Finance.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 559

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2002]:

4 **Chapter 20. Credit for Property Taxes Paid on Personal**
5 **Property**

6 **Sec. 1. As used in this chapter, "assessed value" means the**
7 **assessed value determined under IC 6-1.1-3.**

8 **Sec. 2. As used in this chapter, "pass through entity" means:**

9 **(1) a corporation that is exempt from the adjusted gross**
10 **income tax under IC 6-3-2-2.8(2);**

11 **(2) a partnership;**

12 **(3) trust;**

13 **(4) limited liability company; or**

14 **(5) limited liability partnership.**

15 **Sec. 3. As used in this chapter, "personal property" includes**
16 **personal property as defined in IC 6-1.1-1-11 and personal**
17 **property assessed under IC 6-1.1-7.**



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1 **Sec. 4. As used in this chapter, "state tax liability" means a**
 2 **taxpayer's total tax liability that is incurred under:**

- 3 (1) IC 6-2.1 (gross income tax);
- 4 (2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
- 5 (3) IC 6-3-8 (supplemental net income tax);
- 6 (4) IC 6-5.5 (financial institutions tax); and
- 7 (5) IC 27-1-18-2 (insurance premiums tax);

8 **as computed after the application of the credits that under**
 9 **IC 6-3.1-1-2 are to be applied before the credit provided by this**
 10 **chapter.**

11 **Sec. 5. As used in this chapter, "taxpayer" means an individual**
 12 **or entity that has state tax liability.**

13 **Sec. 6. (a) A taxpayer is entitled to a credit against the**
 14 **taxpayer's state tax liability for a taxable year for the ad valorem**
 15 **property taxes paid by the taxpayer in the taxable year on personal**
 16 **property with an assessed value equal to the lesser of:**

- 17 (1) the assessed value of the person's personal property; or
- 18 (2) thirty-seven thousand five hundred dollars (\$37,500).

19 **(b) An affiliated group that files a consolidated return under**
 20 **IC 6-2.1-5-5 is entitled to only one (1) credit under this chapter**
 21 **each taxable year on that consolidated return. A taxpayer that is**
 22 **a partnership, joint venture, or pool is entitled to only one (1)**
 23 **credit under this chapter each taxable year, regardless of the**
 24 **number of partners or participants in the organization.**

25 **Sec. 7. (a) If the amount of the credit determined under section**
 26 **6 of this chapter for a taxpayer in a taxable year exceeds the**
 27 **taxpayer's state tax liability for that taxable year, the taxpayer**
 28 **may carry the excess over to the following taxable years. The**
 29 **amount of the credit carryover from a taxable year shall be**
 30 **reduced to the extent that the carryover is used by the taxpayer to**
 31 **obtain a credit under this chapter for any subsequent taxable year.**
 32 **A taxpayer is not entitled to a carryback.**

33 **(b) A taxpayer is not entitled to a refund of any unused credit.**

34 **Sec. 8. If a pass through entity does not have state income tax**
 35 **liability against which the tax credit may be applied, a shareholder**
 36 **or partner of the pass through entity is entitled to a tax credit equal**
 37 **to:**

- 38 (1) the tax credit determined for the pass through entity for
- 39 the taxable year; multiplied by
- 40 (2) the percentage of the pass through entity's distributive
- 41 income to which the shareholder or partner is entitled.

42 **Sec. 9. To receive the credit provided by this chapter, a taxpayer**

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1 must claim the credit on the taxpayer's state tax return or returns
2 in the manner prescribed by the department. The taxpayer shall
3 submit to the department proof of payment of an ad valorem
4 property tax and all information that the department determines
5 is necessary for the calculation of the credit provided by this
6 chapter.

7 SECTION 2. IC 6-1.1-20.5 IS REPEALED [EFFECTIVE
8 JANUARY 1, 2002].

9 SECTION 3. [EFFECTIVE JANUARY 1, 2002] IC 6-3.1-20, as
10 added by this act, applies only to taxable years that begin after
11 December 31, 2001.

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